

Doc. #5166
ADOPTED
4/27/89

DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into as of this 27th day of April 1989, by and among BOSTON REDEVELOPMENT AUTHORITY, a public body politic and corporate organized under the laws of the Commonwealth of Massachusetts (the "BRA"), the MASSACHUSETTS BAY TRANSPORTATION AUTHORITY, a public body politic and corporate organized under the laws of the Commonwealth of Massachusetts (the "MBTA") and METROPOLITAN/COLUMBIA PLAZA VENTURE, a general partnership organized under the laws of Massachusetts ("M/CPV").

Whereas, Parcel 18 is a development parcel in the MBTA's Southwest Corridor Project, consisting of land owned by the MBTA and the BRA and shown on Exhibit A;

Whereas, by agreement dated July 31, 1985, the BRA was designated to act as development agent for the Commonwealth of Massachusetts, MBTA, and City of Boston in connection with the development of Parcel 18 (the "Parcel 18 Agreement");

Whereas, in connection with the Parcel 18 Agreement, the MBTA expressed its intent to convey to the BRA those portions of Parcel 18 owned by the MBTA (the "MBTA Land") to be used by the BRA to further the development objectives of the Parcel 18 Agreement;

Whereas, by resolution dated March 10, 1988, the BRA voted the full tentative designation of M/CPV as developer of Parcel 18 and the so-called Kingston-Bedford site which together are known as the Parcel-to-Parcel Linkage Project 1;

Whereas, by resolution dated May 25, 1988, the MBTA has voted to concur in the BRA's full tentative designation of M/CPV;

Whereas, the BRA and MBTA have authorized M/CPV to submit a proposal to Massachusetts Water Resources Authority ("MWRA") with respect to a portion of Parcel 18 and are familiar with the proposal;

Whereas, the BRA expects to vote the so called final designation of M/CPV as developer of the Parcel-to Parcel Linkage Project 1, and the parties desire to set forth herein certain agreements and understandings.

NOW, THEREFORE, the parties understand and hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 101: Defined Terms

For the purposes of the Agreement, the following terms shall have the meaning, respectively, ascribed to them below:

- a. "Closing Date: shall mean the date established in Section 205 of this Agreement for the sale or lease of the first Phase Parcel.
- b. "Design Documentation" shall mean the several stages of documentation that are referred to in Section 301 of this Agreement for each Phase, that are to be prepared for M/CPV by or through its architect, and that are to be submitted to the BRA for approval pursuant to the Development Review Procedures.
- c. "Development Review Procedures" shall mean the procedures set forth in the BRA's Development Review Procedures dated 1985, Revised 1986, to be followed by M/CPV in obtaining all approvals required hereunder of the Design Documentation for each Phase.
- d. "Hazardous Wastes" shall mean any oil or hazardous materials as that term is defined under Chapter 21E of the Massachusetts General Laws and any regulations thereunder.
- e. "Improvements" shall mean all structures and amenities to be constructed by M/CPV pursuant to the approved Design Documentation and the Master Plan for Parcel 18 dated January 20, 1989, and as it may be amended with the approval of the BRA.
- f. "MWRA Parcel" shall mean the "Proposed Parcel 18-1B" shown on Sheet 2 of the plan attached as Exhibit A on which M/CPV proposes to construct a building for the Massachusetts Water Resources Authority (MWRA).
- g. "Master Plan Area" shall mean the area consisting of approximately 5.2 acres and including the Property, streets, sidewalks and landscaped open areas shown on Sheet 7 Exhibit A.
- h. "Phase Parcel" shall mean the area of the Property that M/CPV designates, subject to BRA approval, for development as a particular Phase Parcel including the MWRA Parcel, pursuant to this Agreement and on which Improvements or Public Improvements, or both, will be constructed.
- i. "Public Improvements" shall mean the amenities to be constructed by the BRA or the City of Boston hereunder.

j. "Property" shall mean "Proposed Parcels 18-1A, 1B, 2, 3A and 3B:" shown on Sheet 2 of Exhibit A, which property is subject to the easements and encumbrances shown on Sheet 1 of Exhibit A and certain easements described herein.

k. "Transportation Easements" shall mean the easements reserved and to be reserved for present and future transportation needs, shown on Sheet 2 of Exhibit A.

ARTICLE II TRANSFER OF THE PROPERTY AND PAYMENT THEREFOR

Section 201: Lease of Property or Phase Parcel

Subject to all the terms and conditions of this Agreement, the BRA agrees to lease and M/CPV agrees to take and hire the Property, all upon such terms of lease as the parties hereto shall agree to in a ninety-nine year ground lease or in separate leases for any Parcel. Upon request by the BRA, the MBTA shall lease to the BRA the MBTA Land, all upon such terms as may be agreed, and thereafter the BRA shall lease to M/CPV or its designee, if approved by the BRA, all of the Property. If MWRA elects to purchase the MWRA Parcel, upon request by the BRA, the MBTA shall convey to the BRA the portion of the MWRA Parcel owned by it, and thereafter the BRA shall convey to M/CPV or its designee all of the MWRA Parcel. In addition to disposition proceeds, the BRA shall be reimbursed by the development entity for all costs incurred in holding the property prior to lease or sale of any Phase Parcel. The agreements herein of the MBTA to lease or convey the MBTA Land to the BRA constitute separate obligations that have been agreed to independently from any agreements between the BRA and M/CPV and are not conditioned upon any action or right of M/CPV, and M/CPV shall have no independent right to seek enforcement of any such agreements made by the MBTA for the benefit of the Parcel 18 development.

Section 202: Rights of M/CPV to Designate Phase Parcels

Subject to the provisions of Section 306 hereof, M/CPV will develop the Property according to the Master Plan dated January 20, 1989, as amended by this Agreement and as it may be amended from time to time. Subject to applicable zoning and BRA approval, M/CPV shall have the right to designate any area of the Property as a Phase Parcel.

Section 203: Condition of Property to be Conveyed

At the time of the sale or lease of any of the Property, the MBTA will cause the MBTA Land to be free of all tenants and occupants and will deliver to the BRA a certification or other appropriate statement from Haley & Aldrich, Inc. in form and

substance reasonably satisfactory to BRA to the effect that the MBTA Land is free of Hazardous Waste to the extent required by Chapter 21E of the Massachusetts General Laws and any regulations thereunder. To the extent that the MBTA Land is still burdened by any Chapter 21E issues at the time of a sale or lease thereof to the BRA, the MBTA will indemnify and hold harmless the BRA from costs arising solely from compliance with Chapter 21E on MBTA Land, needed to effectuate the project. Any design changes from the approved Master Plan or as it may be amended pursuant to this Agreement which affect the cost of Chapter 21E issues on MBTA Land will be subject to MBTA approval. The BRA will deliver to MWRA a similar certification or other statement from Haley & Aldrich with respect to any portion of the MWRA Parcel that is owned by the BRA.

Section 204: Purchase Price or Rent

The agreed purchase price for the MWRA Parcel will be Ten Dollars (\$10.00) per square foot of land contained therein. The rent under the lease for any part of the Property shall be One Dollar (\$1.00) per square foot of land leased per year, with such rent escalation as may be agreed upon by the parties. Such purchase price or rent will be paid by M/CPV to the BRA. In the case of any portion thereof that constitutes part of the MBTA Land, said amount shall be paid by the BRA to the MBTA.

Section 205: Time of Sale and Conveyance

The lease or sale and conveyance and delivery of possession of the MWRA Parcel by the MBTA to the BRA and the lease or purchase of the same from the BRA by M/CPV, as the case may be, shall take place on August 30, 1989, which date shall be the Closing Date. Any lease of the MWRA Parcel may include purchase options in accordance with M/CPV's proposal to MWRA. If the Secretary of Environmental Affairs has not approved the Environmental Impact Report for the Property or portion thereof being conveyed on or before the Closing Date, and the BRA has not given any approval of such conveyance required by law, the Closing Date will be postponed until such approvals have been given. The lease of any other part of the Property shall take place on such dates as may be agreed by the parties but in any event following such approvals.

Section 206: Federal Tax Stamps and Other Closing Costs

With respect to any Deed from the MBTA to the BRA, the MBTA shall pay the costs of any Federal or State documentary tax stamps that may be required, and the BRA shall pay the cost of recording the Deed and all other instruments and plans to be recorded together with the Deed. With respect to any Deed from the BRA to M/CPV, M/CPV shall pay the costs of such stamps and recording.

Section 207: Adjustments

The MBTA and the BRA shall pay all operating costs for their respective portions of the Property allocable with respect to any period before delivery of the Deed or commencement date of the lease as the case may be, for each Phase Parcel.

ARTICLE III RESTRICTIONS AND CONTROLS UPON DEVELOPMENT

Section 301: Improvements and Submission of Plans

The Development Review Procedures set forth the formal stages of submissions and approvals for the Design Documentation relating to the Improvements for each Phase Parcel. In addition, all copies of all submissions made by M/CPV to the BRA as required by the Design Documentation also will be submitted by the BRA to the MBTA.

Section 302: Time for Commencement and Completion of Improvements

M/CPV shall diligently prosecute to completion the construction of the Improvements on the MWRA Parcel and shall commence and complete the Improvements on the remainder of the Property in accordance with a schedule to be set forth in the Master Plan and any lease of the Property.

Section 303: Massachusetts Water Resources Authority

The parties hereto acknowledge that the agreement of sale set forth herein with respect to the MWRA Parcel is conditioned upon selection by MWRA of the Property for its headquarters. The parties hereto agree that M/CPV may enter into an agreement with MWRA providing MWRA with the right to receive notice of any proposed changes in the uses, not including substitution of one permitted use for another, provided for in the Master Plan and the right to approve or disapprove any use that affects MWRA's lease or ownership, as the case may be, provided, however, that such right of approval or disapproval on the part of the MWRA shall not apply to the MBTA's transportation uses.

Section 304: Compliance with Designation Conditions

M/CPV shall at all times proceed hereunder in conformity with the conditions set forth in the tentative and final designations of the BRA and MBTA. Among other things, M/CPV is required to comply with certain so-called linkage policies and programs and the Community Benefits Plan for Parcel to Parcel Linkage Project 1, a summary of which is attached hereto as

Exhibit B, which includes among other things provisions for minority equity ownership, childcare, a Community Development Fund, Minority and Women Business Enterprise requirements, a challenge grant, and housing and jobs linkage. The BRA and M/CPV shall enter into an agreement setting forth the provisions of the Community Benefits Plan prior to any lease or sale of any part of the Property other than the MWRA Parcel. Subject to the approval of the City of Boston Neighborhood Trust, the parties hereto agree to cooperate with each other in an effort to make available housing linkage funds from Parcel to Parcel Linkage Project 1 for the so-called "Southwest Corridor Parcel 22," currently the subject of a developer selection process being conducted by the MBTA and the City of Boston.

Section 305: Kingston-Bedford Project

M/CPV acknowledges the intent of the BRA to link the development of Parcel 18 with the development of the Kingston-Bedford Project in accordance with Parcel to Parcel Linkage Project 1 and agrees that development of the Kingston-Bedford Project shall not commence until development of the Property has commenced.

Section 306: MBTA Approvals

No changes in the uses of Phase Parcels permitted in the Master Plan, not including substitution of one permitted use for another, that may affect the MBTA's use and enjoyment of Ruggles Station or the MBTA's transportation operations shall be made without the MBTA's approval which shall not be unreasonably withheld. The Master Plan, as amended by this Agreement, is hereby approved by the BRA and MBTA. In addition, prior to commencing any construction on the Property, M/CPV will submit to the MBTA for approval construction plans and schedules therefor including any appropriate protections of Transportation Easements. Such approval shall not be unreasonably withheld taking into consideration the effect, if any, of such construction on any Transportation Easements. Any approval of the MBTA provided for herein shall be made by the General Manager or his designee.

Notwithstanding any other provisions contained herein, any sale or lease of MBTA Land shall contain provisions requiring MBTA approval of such matters as 1.) transportation easements for present and future use; 2.) MBTA physical facilities from construction impacts of the Improvements; 3.) pedestrian, bus, and automobile access to Ruggles Station; and 4.) the Southwest Corridor bicycle path.

Section 307: Restrictions on Transfer

Except as otherwise provided herein and in order to ensure that the goals of Parcel to Parcel Linkage I as outlined in Exhibit B are retained for the community, no part of the Phase Parcel or any legal or beneficial interest therein or in M/CPV or any partner of M/CPV shall be sold or otherwise transferred until a date which is ten years from the issuance of a Building Permit with respect to the Improvements on each Phase Parcel. Thereafter, no such sale or transfer may be made without the prior approval of the BRA, which shall not be unreasonably withheld, taking into consideration reputation, experience in management of real estate and financial capacity of the proposed transferee.

The provisions of this Section 307 shall not prohibit any transfer to MWRA of the MWRA Parcel or any subsequent transfer by MWRA or apply to any real estate mortgage on the Property or to any transfer by a mortgagee.

ARTICLE IV PUBLIC IMPROVEMENTS

Section 401: Public Plaza

Subject to the appropriation by the City of Boston of funds in the amount of approximately \$2,010,000 therefor, the BRA acknowledges the obligation on its behalf and on behalf of the City to develop and construct the public plaza set forth in the Master Plan on a schedule consistent with M/CPV's development and construction of the MWRA Parcel and agrees to enter into an agreement setting forth specific milestones and a timetable for such development and construction of the public plaza. M/CPV, the BRA and the MBTA shall enter into appropriate easements and licenses providing the BRA with the right to construct the public plaza and any other public improvements set forth in Master Plan and as it may be amended pursuant to this Agreement.

ARTICLE V MISCELLANEOUS PROVISIONS

Section 501: Applicable Laws

The obligations of the parties hereto shall be subject to compliance with all applicable laws and governmental regulations with respect thereto.

Section 502: Cooperation on Approvals. Other Agreements: Revisions to Master Plan

The parties hereto agree to duly, diligently and in good faith cooperate with each other in the seeking of any governmental or other public approvals required in connection with this Agreement or the development of the Property including without limitation the holding of a public hearing in May 1989 by the BRA to consider M/CPV's Master Plan for a Planned Development Area and Development Plan for the MWRA Parcel. An approval provided for herein will not be unreasonably withheld or delayed. Further, the parties acknowledge the importance to the success of the development of the Property of accomplishing a timely and successful development of the MWRA Parcel as a headquarters location for MWRA and the likelihood that in all probability there will arise the need for certain other agreements to facilitate the development of the MWRA Parcel. Accordingly, the parties hereto agree to use all reasonable efforts to negotiate and execute such further agreements as may be necessary or useful for such purpose. Approval and execution of any such further agreements on behalf of the MBTA will be by the General Manager or his designee. In addition, M/CPV agrees to amend the Master Plan to incorporate all of the Master Plan Area, provide for the construction of the garage on area shown on Sheet 1 of Exhibit A as "Future Garage" and eliminate the below grade parking for buildings 1 and 2 shown in the Master Plan.

Section 503: T-Pass Subsidies

M/CPV shall include provisions in its space leases to tenants of the buildings located on the Property regarding "T Pass" programs and encouraging their use. More specific details regarding T-Pass requirements will be included in any document selling or leasing the MBTA Land.

Section 504: MBTA Rights of First Refusal

The BRA and M/CPV agree to include in any deed transferring title to the MWRA Parcel to MWRA an obligation on the part of the grantee to provide the MBTA with a right of first refusal with respect to any sale of the MWRA Parcel by MWRA.

Section 505: Future Garage Site

Subject to any approval required by law, including any approval thereof required by the Secretary of Environmental Affairs, the parties hereto shall duly and diligently cooperate with each other in the development of a parking garage on the Future Garage site, shown on Exhibit A, which will include retail, office or other uses to be developed by M/CPV. The garage will be constructed and owned by M/CPV, but the land therefor leased to M/CPV pursuant to a ninety-nine year ground lease.

Section 506: Time of the Essence

Time is of the essence in the performance of this Agreement.

Section 507: Limitation of M/CPV's Liability

The liability of M/CPV hereunder shall be limited solely to the assets and properties of M/CPV, and no partner, venturer, trustee, beneficiary, shareholder, officer, director, or the like of M/CPV, from time to time, or such person's or entity's separate property or estate, shall have any personal liability with respect to any obligation or liability of M/CPV hereunder. The deficit capital account of any partner of M/CPV shall not be deemed to be a liability of such partner nor an asset or property of M/CPV.

Section 508: Termination

If the MWRA Parcel has not been acquired by M/CPV on or before September 1, 1991, or if the remainder of the Property has not been acquired by M/CPV on or before September 1, 1996, this Agreement and all rights and obligations of the parties hereunder will terminate.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed, sealed and delivered by their fully authorized officers or representatives, respectively, as of the day and year first above written.

Approved as to form:

BOSTON REDEVELOPMENT AUTHORITY

Robert F. McNeil
General Counsel

By: _____
Stephen Coyle
Director

Approved as to form:

MASSACHUSETTS BAY
TRANSPORTATION AUTHORITY

Gregory C. Flynn
General Counsel

By: _____
Thomas P. Glynn
General Manager

METROPOLITAN/COLUMBIA PLAZA
VENTURE

By: _____

EXHIBIT B

(a) The Kingston-Bedford Site is one of two sites - the first portion of the Parcel-to-Parcel Linkage Program being entered by the City and the State. The linkage program is the implementation of a four-year State Law 1-2 1974 action and planning process. As part of this program, development of the Kingston-Bedford Site is a means to development of Parcel 12 in Westbury, New York, along the Kingston Corridor. The Parcel-to-Parcel Linkage Program encourages development in areas which would not otherwise attract development, encourages industry participation in and to the development and provides significant benefits to the affected communities and the City. It is anticipated that the development of Parcel 12 will provide more development and economic growth in the Southwest Corridor and New York, further fulfilling a major inner city development objective of the City and the State as set forth in the July 11, 1973 Agreement between the City and the State regarding the Parcel-to-Parcel Linkage Program. The program makes both the Kingston-Bedford Development and the development of Parcel 12 possible, and, accordingly, it is a linkage which will flow from the Parcel-to-Parcel Linkage Program. The program will be carried out which a still being carried with the authority, the City and affected communities will be able to enter into agreements. The principle of the following community benefits will be carried out in specific, subject to refinement, based upon the ongoing negotiations between the City and the State and a good understanding of the program, with the City and the Parcel-to-Parcel Linkage Program of which it is a part.

EXHIBIT A

(Under separate cover)

(b) Kingston-Bedford Site is Large Scale Commercial Real Estate Development

The Kingston-Bedford Site, known as the "Venture", is a development project developed by the Authority in partnership with the Kingston-Bedford Site and Parcel 12 under the Parcel-to-Parcel Linkage Program. It is a joint venture between Metropolitan Ventures, a national development firm based in Chicago, and Columbia Park Associates, a consortium of Black, Hispanic and Asian American business and community based non-profit organizations. Each party has a 50% interest in the Venture.

(c) Community Development Fund

The Venture will contribute to a proposed Community Development Fund (CDF) 10% of the developer's fee, 10% of the net operating income from available projects over time, and 10% of the net proceeds from the program developed in the Kingston-Bedford Site and Parcel 12. Additionally, a contribution will be made to the Community Development Fund as an upfront down payment on an annual cash disbursement of fixed dollar amount to 10% of the above.

(d) Employment and Training

The Venture will (a) seek to achieve hiring goals for employment of minority and disadvantaged persons which is required by the State Department of Labor, (b) seek to achieve hiring goals for disadvantaged persons as required by the Kingston-Bedford Site and Parcel 12 program, (c) maintain a 10% reserve for training agreements, and (d) seek to achieve hiring goals for the Kingston-Bedford Site and Parcel 12 program.

Exhibit B

(a) The Kingston-Bedford Site is one of two sites in the first project in the Parcel-to-Parcel Linkage Program being pursued by the City and the State. The linkage program is the culmination of a four-year State, City and BRA review and selection process. As part of this program, development of the Kingston-Bedford Site is linked to development of Parcel 18 in Roxbury, located along the Southwest Corridor. The Parcel-to-Parcel Linkage Program encourages development in areas which might not otherwise attract development, encourages minority participation in real estate development and produces numerous benefits to the affected communities and the City. It is anticipated that the development of Parcel 18 will attract other development and stimulate renewal in the Southwest Corridor and Roxbury, thereby fulfilling a major inner city development objective of the City and the State as set forth in the July 31, 1985 Agreement between the City and the State regarding the Parcel-to-Parcel Linkage Program. The project makes both the Air Rights Development and the development of Parcel 18 possible, and, accordingly, all of the benefits which will flow from the Parcel-to-Parcel Linkage Program. The public benefits package, which is still being reviewed with the Authority, the City and affected communities, will be reflected in written agreements. The provision of the following community benefits has been agreed to in principle, subject to refinement based upon the ongoing negotiations with the Authority, the City and affected communities, in connection with the Project and the Parcel-to-Parcel Linkage Program of which it is a part:

(i) Minority Involvement in Large Scale Commercial Real Estate Development.

Metropolitan/Columbia Plaza Venture (the "Venture"), the developer tentatively designated by the Authority to undertake development of the Kingston-Bedford Site and Parcel 18 under the Parcel-to-Parcel Linkage Program, is a joint venture between Metropolitan Structures, a national development firm based in Chicago, and Columbia Plaza Associates, a consortium of Black, Hispanic and Asian American investors and community based non-profit organizations. Each party has a 50% interest in the Venture.

(ii) Community Development Fund.

The Venture will contribute to a proposed Community Development Fund (x) 10% of the developer's fee, (y) up to 5% of the net operating income from available project cash flow, and (z) 10% of the net residuals from the projects developed in the Kingston-Bedford Site and Parcel 18. Alternatively, a contribution may be made to the Community Development Fund as an up-front lump sum payment or as annual cash distributions in fixed dollar amounts in lieu of the above.

(iii) Employment and Training.

The Venture will (w) seek to achieve hiring goals for employment of minorities and women which exceed what is required by the Boston Residents Job Policy, (x) assist minorities in seeking job opportunities generated by the Kingston-Bedford and Parcel 18 projects, (y) subscribe to the Boston for Boston Agreement, and (z) elect the Jobs Creation Alternative under the linkage regulations.

(iv) Challenge Grant.

The Venture has contributed \$24,000 to the Chinatown Neighborhood Council and the Parcel 18+ Task Force as a planning grant, matching a similar contribution made by the BRA. The matching grant from the Venture will total \$100,000 over the next two years. The Venture will also make available a \$400,000 challenge grant, subject to being matched on a two-for-one basis by public or private sources, for on-the-job training for minority group members in real estate development.

(v) Minority and Women Business Enterprises.

The Venture has set a 30% goal for utilization of Minority and Women Business Enterprises, will make available a portion of the project space for Minority Business Enterprises, and will work with public agencies to assist minority entrepreneurs to start new businesses.

(vi) Childcare.

The Venture will provide, on site or off site, childcare facilities in Chinatown and Roxbury for a total of 200 children and work with the City and local communities to design quality childcare programs.

(vii) Affordable Housing.

The Venture will contribute housing linkage payments up front to housing creation projects in Chinatown and Roxbury to be designated by the BRA and the Chinatown and Roxbury communities.

(viii) Community Participation.

The Venture has involved, and will continue to involve, the affected communities in the design of the projects, as well as in the planning of the community benefits programs.

(ix) Technical Assistance.

The Venture will provide technical assistance through in-house professionals and, as necessary and feasible, consultants to assist the two affected communities in planning the community benefits package.

(b) The Project will stimulate the following additional economic benefits:

(i) It is estimated that a total of over 4000 construction jobs will be generated by the Kingston-Bedford and Parcel 18 projects.

(ii) It is estimated that over 6200 permanent jobs will be supported by the completed projects. The Applicants anticipate that many will be new jobs created by new businesses, expansion of existing businesses and new tenants coming into the City.

(iii) The housing linkage contribution is estimated to be approximately \$7,500,000, discounted to present value and paid up front as a lump sum payment.

(iv) The jobs linkage contribution from the Kingston-Bedford Project is estimated to be \$925,000. Together with the Parcel 18 project a total jobs linkage contribution of approximately \$1,500,000 will be made.

MEMORANDUM

April 27, 1989

TO: BOSTON REDEVELOPMENT AUTHORITY AND STEPHEN COYLE,
DIRECTOR

FROM: ANTHONY WILLIAMS, ASSISTANT DIRECTOR FOR NEIGHBORHOOD
HOUSING AND DEVELOPMENT
PAMELA WESSLING, DEPUTY DIRECTOR FOR URBAN DESIGN AND
DEVELOPMENT

SUBJECT: DEVELOPMENT AGREEMENT AMONG THE MASSACHUSETTS BAY
TRANSPORTATION AUTHORITY, METROPOLITAN/COLUMBIA PLAZA
VENTURE, AND THE BOSTON REDEVELOPMENT AUTHORITY

SUMMARY: This memorandum requests authorization to execute a Development Agreement with the Massachusetts Bay Transportation Authority, Metropolitan/Columbia Plaza Venture, and the Boston Redevelopment Authority. The Development Agreement defines each party's roles and responsibilities with respect to the development of Southwest Corridor Parcel 18 as part of Parcel-to-Parcel Linkage Project I.

On July 31, 1985 Mayor Raymond L. Flynn and Governor Michael Dukakis entered into an agreement to link the development rights for Southwest Corridor Parcel 18 to a major downtown parcel. Through the agreement, the City and State committed to carry out an unprecedented joint development process to include the Governor's Office of Economic Development, the Massachusetts Bay Transportation Authority (MBTA), and the Boston Redevelopment Authority (BRA), with the BRA acting as development agent for the City, State, and MBTA.

On September 25, 1986 the BRA voted to adopt a resolution governing the disposition of the Kingston-Bedford garage and Lincoln-Essex parking lot, both of which are owned by the City of Boston, and Parcel 18, owned by the MBTA and the BRA. The BRA also authorized the Director to solicit qualifications for minority teams to participate in the development of the linked parcels. The BRA vote was complemented by resolutions by the City of Boston Real Property Board, the City of Boston Public Facilities Commission, and the MBTA.

On June 18, 1987 the BRA adopted a resolution to recommend to the City and the MBTA that Columbia Plaza Associates be declared the minority development team to carry out Parcel-to-Parcel Linkage Project I. The BRA also voted that the team would be eligible for tentative designation, subject to satisfying certain criteria regarding the provision of community benefits and the financial strength of the team.

On March 10, 1989 Columbia Plaza Associates presented its proposal in response to the criteria and included Metropolitan Structures as its fifty percent equity partner. The joint venture, Metropolitan/Columbia Plaza Venture, received tentative designation and has subsequently undertaken to develop the two sites.

Project milestones have included the application to establish a Chapter 121A corporation to develop an underground garage on the downtown site, the submission of design plans for both the Kingston-Bedford and Parcel 18 sites, and the submission of a proposal to develop a new headquarters for the Massachusetts Water Resources Authority at Parcel 18. MWRA has include Parcel 18 on a short list of sites, out of a field of fifteen other proposals. It is anticipated that MWRA will make its final selection at the beginning of May and enter into a contract with a developer by the end of June, 1989.

The master plan for Parcel 18 includes a four-phase project of approximately 850,000 gross square feet with office, retail, and hotel uses and a landscaped public plaza. Parking for approximately 1,000 cars will be located in above and below grade structures. If MWRA selects Parcel 18, its headquarters will be the first phase of development.

As construction on Parcel 18 becomes more imminent, it is necessary to define explicitly the roles and responsibilities of the developer, the MBTA, and the BRA. The Development Agreement lays out such a foundation, specifying methods for site assembly, the terms of conveyance, the restrictions and controls on development, and responsibilities with respect to public improvements and clean-up of contaminated soils.

Under the terms of the Development Agreement, the MBTA and BRA agree to lease Parcel 18 to the Venture in a ninety-nine year ground lease or in separate leases for sub-parcels of the phased project. The MBTA will lease its portions of the property to the BRA which will in turn consolidate the sub-parcels into a lease or leases with the Venture. If MWRA selects Parcel 18 as its headquarters site and elects to purchase, rather than lease, the headquarters, then that sub-parcel of Parcel 18 will be conveyed to the Venture for sale to MWRA. The MBTA owns most of the 5.6 acre site. The BRA-owned land was acquired in 1986 through an order of taking of former streets which were discontinued as part of the Southwest Corridor project.

The agreed upon purchase price is \$10 per square foot of land, as determined by appraisals conducted for the MBTA. The rent under the lease of any parcel shall be \$1 per square foot of land per year.

The MBTA will cause the site to be free of hazardous waste, in accordance with Chapter 21E of the Massachusetts General Laws.

The Development Agreement incorporates the requirement that development of the Kingston-Bedford site will not commence without the simultaneous development of Parcel 18.

The Venture will develop the site in accordance with the master plan and in accordance with the BRA's development review procedures. In addition, the Venture will comply with all designation conditions, including the provisions of the community benefits plan which outlines, among other things, provisions for minority equity ownership, the provision of childcare facilities, funds for job training and housing linkage, contributions to a community development fund, and employment opportunities for minority- and women-owned enterprises.

The Development Agreement incorporates the appropriate provisions to further the development of the Parcel-to-Parcel Linkage Project I, and we therefor recommend that the Director be authorized to enter into the agreement with the MBTA and Metropolitan/Columbia Plaza Venture.

An appropriate vote follows:

VOTED: That the Boston Redevelopment Authority hereby authorizes the Director to execute, in the name and on behalf of the Authority, a Development Agreement among the Massachusetts Bay Transportation Authority, Metropolitan/Columbia Plaza Venture, and the Boston Redevelopment Authority, substantially in the form attached hereto.

